

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 7817**

**BILL NUMBER: SB 533**

**NOTE PREPARED: Mar 30, 2005**

**BILL AMENDED: Mar 29, 2005**

**SUBJECT:** Various Driver Licensing Matters.

**FIRST AUTHOR:** Sen. Riegsecker

**FIRST SPONSOR:** Rep. Lehe

**BILL STATUS:** CR Adopted - 2<sup>nd</sup> House

**FUNDS AFFECTED:     GENERAL**

**X DEDICATED**

**X FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** (Amended) This bill:

- (1) revises conflicting language concerning public records confidentiality;
- (2) requires the Driver Licensing Medical Advisory Board (DLMAB) to assist the Office of Traffic Safety (OTS);
- (3) requires the OTS to develop programs and materials concerning senior citizens' driving ability;
- (4) provides that certain driver's licenses issued to individuals at least 85 years of age expire two years after issuance and that a vision examination is required to renew these licenses;
- (5) grants immunity from civil or criminal liability to a licensed physician, optometrist, or advanced practice nurse who makes a report to the Bureau of Motor Vehicles (BMV) concerning a patient's fitness to operate a motor vehicle not more than 30 days after having examined the patient;
- (6) revises fees for copies of certain BMV records;
- (7) revises educational and age requirements for a commercial driver training instructor's license;
- (8) requires the Commissioner of the BMV to administer the policies and procedures of the BMV and to submit budget proposals for the BMV to the Budget Director;
- (9) requires a person operating a license branch to collect service charges and deposit them in the License Branch Fund (LBF);
- (10) provides that certain driver's licenses under certain circumstances and state identification cards (IDs) expire six years after issuance. (Current law provides that certain driver's licenses under certain circumstances and IDs expire four years after issuance.);
- (11) provides that fees and service charges for driver's licenses that expire six years after issuance and IDs be increased by 50%;
- (12) requires the BMV to adopt rules for a 50% increase in certain charges related to driver's licenses and IDs that expire six years after issuance;

- (13) requires the operator of a vehicle involved in an accident to report the accident to the BMV within ten days of the accident under certain circumstances. (Current law requires the report to be made to the State Police.);
- (14) authorizes the BMV to determine a schedule for yearly registration of certain vehicles;
- (15) deletes the requirement that the BMV adopt an administrative rule requiring the Social Security number of the holder to be shown on a Commercial Driver's License (CDL);
- (16) changes the regulation of licensing of vehicle merchandising;
- (17) repeals the requirement that set the replacement cycle for certain license plates at one year, and sets the cycles for replacement at five years;
- (18) makes a technical correction; and
- (19) makes conforming changes.

**Effective Date:** (Amended) Upon passage; July 1, 2005.

**Explanation of State Expenditures:** (Revised) (*Part 1*): This part will have no fiscal impact.

(*Parts 2 and 3*): The Office of Traffic Safety reports that the materials and programs required to comply with this provision would come from the National Highway Traffic Safety Administration (NHTSA) and would be furnished at no charge to the OTS. The DLMAB provides assistance to the Commissioner of the BMV and the OTS with the driver licensing laws. It will continue to do so under this new provision. Whatever expenditures are attributable to this effort for the DLMAB will be minimal. The fund affected is the Motor Vehicle Highway Account (MVHA), which supports the BMV.

(*Part 4*): The bill provides that certain driver's licenses issued to individuals at least 85 years of age expire two years after issuance and that a vision examination is required to renew these licenses. Current licenses expire after four years. This part will require the Bureau of Motor Vehicles Commission (BMVC) to conduct more vision examinations than otherwise might occur. The one-time related computer expenditures are estimated at \$5,400. The fund affected is the State License Branch Fund, which supports the BMVC.

*Part (7)*: This part will have no fiscal impact.

*Part (8)*: Submission of BMV budget proposals directly to the State Budget Agency, rather than first to the BMVC, has the potential for reduced administrative expenditures. The funds affected are the Motor Vehicle Highway Account (MVHA), which supports the BMV, and the state License Branch Fund (LBF), which supports the operation of license branches throughout the state.

*Background Information:* As of June 30, 2004, the BMVC had a loan outstanding to the MVA in the amount of \$63.3 M. This represents funds transferred from the MVA to the State License Branch Fund to cover operating deficits incurred by the BMVC since the inception of the BMVC. It also includes start-up funds appropriated by the General Assembly for the operation of the BMVC.

*Part (9)*: This part will have no fiscal impact.

**Explanation of State Revenues:** (Revised) (*Part 4*): To the extent that drivers at least 85 years of age will renew driver's licenses every two years as opposed to every four years, there may be a slight revenue increase. The fee for an operator's license is \$14 and is deposited in the MVHA. As of 2002, Indiana had 98,317 individuals aged 85 and over.

(Part 6): The BMV will experience a revenue loss of \$3 per electronic title request beginning January 1, 2006. The specific revenue impact over time will depend upon the number of electronic title requests. Over the last five calendar years, the number of electronic title requests per year has increased from 52,000 to 118,000. Based on an estimated 182,000 electronic requests for 2006, there could be a revenue loss of \$546,000. The fund affected is the MVHA.

*Background Information:* Currently, the fee for motor vehicle title, driver's license, and/or registration information is \$5, whether requested in writing or electronically. Of this amount, \$4 goes to the BMV and a \$1 service fee goes to the Intelenet Commission. This proposal will change the fee arrangement beginning January 1, 2006. Effective on that date, the fee for an electronic request for title information is \$1, plus any service fee charged by the Intelenet Commission. The fee for information regarding a driver's license, vehicle registration, or permit is not changed. In addition, the fee for requests made in writing is not changed.

Below is a table which shows the number of electronic title requests over the last five calendar years, with CY 2004 totals through November and projected for December.

<b>Year</b>	<b>Number of Electronic Title Requests</b>	<b>Annual % Increase</b>
2000	51,855	-
2001	66,375	28%
2002	77,145	16%
2003	100,946	31%
2004	118,450	17%

The average percent increase over the last two years amounted to an annual rate of 24%, resulting in an estimated 147,000 transactions for 2005 and 182,000 transactions for 2006.

(Parts 10, 11, and 12 ): *Additional Background Information:* The tables describing the revenue impact for these provisions are based on the following estimated transactions counts.

<b>Estimated Transaction Counts</b>	<b>Est CY 2006</b>	<b>Est CY 2007</b>	<b>Est CY 2008</b>	<b>Est CY 2009</b>	<b>Est CY 2010</b>	<b>Est CY 2011</b>
4-Year Operator's License	956,375	929,095	937,627	1,014,882	0	0
3-Year Operator's License	74,000	74,000	74,000	74,000	74,000	74,000
4-Year Motorcycle Operator's License	23	28	21	26	0	0
3-Year Motorcycle Operator's License	0	0	0	0	0	0
Chauffeur License 4-Yr.	12,853	12,350	13,164	13,084	0	0
Chauffeur License 3-Yr.	0	0	0	0	0	0
4-Yr MC Endorsement	66,654	69,206	75,739	79,687	0	0
3-Yr MC Endorsement	0	0	0	0	0	0
Identification	205,406	196,831	204,781	236,527	0	0
Special Identification	15,199	15,665	17,506	15,109	0	0
Learner Permit	114,566	114,566	114,566	114,566	114,566	114,566
Motorcycle Learner Permit	25,501	25,501	25,501	25,501	25,501	25,501
Duplicate/Amended Learner Permit	10,054	10,054	10,054	10,054	10,054	10,054

<b>2006</b>	<b>MVH</b>	<b>X rds 2000</b>	<b>Tech Fund</b>	<b>BMVC</b>	<b>Anti Terror</b>
Plates 1-100 now 5-year	\$0	\$0	\$0	\$-609,060	\$0
6-Yr Driver's License, Increased Fees	\$1,632,914	\$1,343,206	\$0	\$3,394,290	\$0
<b>Totals</b>	\$1,632,915	\$1,343,206	\$0	\$2,785,230	\$0
<b>2007</b>	<b>MVH</b>	<b>X rds 2000</b>	<b>Tech Fund</b>	<b>BMVC</b>	<b>Anti Terror</b>
Plates 1-100 now 5-year	\$0	\$0	\$0	\$-609,060	\$0
6-Yr Driver's License, Increased Fees	\$1,589,747	\$1,318,753	\$0	\$3,309,447	\$0
<b>Totals</b>	\$1,589,747	\$1,318,753	\$0	\$2,700,387	\$0
<b>2008</b>	<b>MVH</b>	<b>X rds 2000</b>	<b>Tech Fund</b>	<b>BMVC</b>	<b>Anti Terror</b>
Plates 1-100 now 5-year	\$0	\$0	\$0	\$-609,060	\$0
6-Yr Driver's License, Increased Fees	\$1,607,369	\$1,338,706	\$0	\$3,377,225	\$0
<b>Totals</b>	\$1,607,369	\$1,338,706	\$0	\$2,768,165	\$0
<b>2009</b>	<b>MVH</b>	<b>X rds 2000</b>	<b>Tech Fund</b>	<b>BMVC</b>	<b>Anti Terror</b>
Plates 1-100 now 5-year	\$0	\$0	\$0	\$-609,060	\$0
6-Yr Driver's License, Increased Fees	\$1,732,068	\$1,421,728	\$0	\$3,662,341	\$0
<b>Totals</b>	\$1,732,068	\$1,421,728	\$0	\$3,053,281	\$0
<b>2010</b>	<b>MVH</b>	<b>X rds 2000</b>	<b>Tech Fund</b>	<b>BMVC</b>	<b>Anti Terror</b>
Plates 1-100 now 5-year	\$0	\$0	\$0	\$-609,060	\$0
6-Yr Driver's License, Increased Fees	\$-4,351,029	\$-1,769,741	\$-628,255	\$-7,365,730	\$-1,570,638
<b>Totals</b>	\$-4,351,029	\$-1,769,741	\$-628,255	\$-7,974,790	\$-1,570,638

2011	MVH	X rds 2000	Tech Fund	BMVC	Anti Terror
Plates 1-100 now 5-year	\$0	\$0	\$0	\$-609,060	\$0
6-Year Driver's License, Increased Fees	\$-4,227,331	\$-1,715,731	\$-611,588	\$-7,162,477	\$-1,457,899
<b>Totals</b>	\$-4,227,331	\$-1,715,731	\$-611,588	\$-7,771,537	\$-1,457,899
	MVH	X rds 2000	Tech Fund	BMVC	Anti Terror
<b>Net Revenue Changes CY 06 thru CY11</b>					
2006	\$1,632,114	\$1,343,206		\$2,785,230	
2007	\$1,588,947	\$1,318,753		\$2,700,387	
2008	\$1,606,569	\$1,338,706		\$2,768,165	
2009	\$1,731,268	\$1,421,728		\$3,053,281	
2010	\$-4,351,829	\$-1,769,741	\$-628,355	\$-7,974,790	\$-1,570,638
2011	\$-4,228,131	\$-1,715,731	\$-611,688	\$-7,771,537	\$-1,457,899
<b>Total Revenue Changes</b>	\$-2,021,062	\$1,936,921	\$-1,239,843	\$-4,439,264	\$-3,028,537

	MVH	X rds 2000	Tech Fund	BMVC	Anti Terror
<b>Cost Savings</b>					
Drivers License \$1.542 ea.					
2010	\$1,603,071				
2011	\$1,603,071				
<b>Total Savings</b>	\$3,206,142				
<b>Overall Changes</b>	\$1,189,880	\$1,936,921	\$-1,239,843	\$-4,439,264	\$-3,028,537
<b>Net Change</b>	<b>\$-5,580,843</b>				

MVH= Motor Vehicle Highway Account.

X rds= Crossroads 2000.

Tech Fund= BMV Technology Fund.

BMVC= Bureau of Motor Vehicle Commission.

Anti Terror =Anti Terrorism Fund.

### **Explanation of Local Expenditures:**

### **Explanation of Local Revenues:**

**State Agencies Affected:** Bureau of Motor Vehicles; Bureau of Motor Vehicles Commission; Office of Traffic Safety.

### **Local Agencies Affected:**

**Information Sources:** Charolotte Ashburn, Office of Traffic Safety, 317-232-1296; Jane Morrical, Director

of Treasury for the BMV, 317-232-2822.

**Fiscal Analyst:** James Sperlik, 317-232-9866.